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S E C R E T SECTION 01 OF 02 DHAKA 000576

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SUBJECT: THREE MONTHS LATER: DEMOCRACY IN BANGLADESH

REF: DHAKA 560

Classified By: Ambassador Patricia Butenis, reason para 1.4 d.

- 11. (C) As the Fakhruddin Ahmed government hits its 90-day mark, the future of Bangladesh's democracy remains uncertain. Elections, the government now admits, are at least 18 months away, both big political parties are reeling from government pressure, the army chief has called for radical constitutional changes to reduce the power of directly elected officials, the military is recruiting for a "king's party," Chief of Army Staff (COAS) Moeen reportedly wants to become President in September, the military-driven anti-corruption campaign has become more political, and the state of emergency and its ban on political activity have become tighter, not looser. Moreover, the government has also rejected the need for a political or electoral road map. Yet, the government remains popular and the only people calling for elections are the discredited political party leadership and diplomats.
- 12. (C) Any doubts about who calls the shots should have been dispelled by COAS General Moeen's speech last week (reftel), while the Chief Adviser was away in Delhi at the SAARC summit, that called for radically recasting Bangladeshi democracy on nationalist, nonpartisan lines.
- 13. (C) The question remains whether the reforms the government proposes, such as political party registration and barring certain categories of miscreants from being candidates, are a pretext to delay elections or whether they will fundamentally improve Bangladeshi politics as promised. Some of the answers won't be clear for months or even years, but several turning points are just down the road:
- A) The "Two Ladies:" The Awami League's Sheikh Hasina is gone, but Khaleda Zia, once reportedly packing her bags, is grimly hanging on. Critics already complain the military waited too long to arrest her son Tarique and to put real pressure on her to leave, and Zia now reportedly hopes that Moeen's political statements have caused enough backlash in the military to prod her supporters, real or imagined, to rally against him. The military's priority of protecting itself from Zia's retribution, and of creating a new political order in Bangladesh, is premised on removing the two ladies from politics. If Hasina returns as promised at the end of April and Zia is still here, the military may be put on the defensive.
- B) The Military: General Moeen now sounds like a politically ambitious general. He calls for creating "true" democracy as $\frac{1}{2}$

an alternative to elections, disparages all politicians as venal, articulates a political vision based on nationalist, nonpartisan lines, and promotes the military as the country's only institution enjoying the public's respect. He is reported to want, without giving up his uniform, to replace President Ahmed when his term expires in September, though there appears to be no way to do so constitutionally. While military cohesiveness looks strong, the relationship between Moeen and Ninth Division Commander General Masud, his effective co-leader of the government, could deteriorate under pressure.

- C) The Political Parties: Corruption arrests have splintered the Bangladesh Nationalist Party (BNP), but the relatively unscathed Awami League is keeping its head down, waiting for events, and the international community, to put pressure on the government for early elections. Although Sheikh Hasina is in the U.S., perhaps as a result of government pressure, she does not sound like someone contemplating political retirement, and she is making press statements and having meetings. For now, the parties are docile but incapable of internal reform unless someone else deposes their leadership. Having prematurely floated the lead balloon of Nobel Prize laureate Mohammad Yunus as a political leader, both parties tell us the military, is pressing them to support a "king,s" political party.
- D) Anti-Corruption Campaign: Few people show sympathy for the nearly 200 political figures in custody, most of them on anticipated corruption charges, but the lack of transparency in deciding who gets targeted and who gets spared is becoming more obvious. No military-linked person, such as Khaleda Zia's infamous brother, has been netted, and politicians from

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the BNP who could have expected scrutiny, are still at large, perhaps because at least one of them says he is interested in joining a pro-military party. The next three months should show whether the government is driven by justice, by prosecuting suspects on serious, not spurious charges (like having liquor in the house), or whether the campaign's underlying motivation is political leverage.

E) The Honeymoon: The government remains broadly popular. Business, an early booster of the government because of the stability it has created, is concerned by the arbitrariness of the anti-corruption drive and other actions like the "anti-hoarding" raids on warehouses. Politicians and the self-censoring media have managed to object to the deferment of elections, and a few have expressed concern about the military's growing role in government. However, liberal civil society leaders like lawyer Kamal Hossain continue to apologize for the military because they still see it as the country's best hope for reform, while others clearly hope for personal gain, such as a senior position in an expanded or new interim government.